

Message Text

UNCLASSIFIED

PAGE 01 TEL AV 02505 241036Z
ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 AID-05 CIAE-00 COME-00
FRB-01 INR-10 NSAE-00 USIA-15 TRSE-00 XMB-04
OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 L-03 H-02
PA-02 /075 W

-----014512 250030Z /20

R 240623Z FEB 78
FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC 1445

UNCLAS TEL AVIV 2505

E. O. 11652: NA
TAGS: EINV IS
SUBJ: NEW INVESTMENT LAW

1. AS REPORTED PREVIOUSLY, A NEW LAW FOR THE ENCOURAGEMENT OF INVESTMENT IS SCHEDULED TO BE APPROVED BY PARLIAMENT IN APRIL. AN INDICATION OF THE PRINCIPLES UNDERLYING THE NEW LAW WAS MADE BY MINISTER OF INDUSTRY, TRADE AND TOURISM, YIGAL HURWITZ, DURING A RECENT REPORT TO PARLIAMENT.

2. ACCORDING TO HURVITZ, THE NEW INVESTMENT LAW WILL BE BASED ON THE FOLLOWING PRINCIPLES:

A) EVERY INVESTMENT DEFINED AS "POSITIVE" (I.E., WHICH DOES NOT APPEAR IN A "NEGATIVE LIST" TO BE PUBLISHED) WILL BE ELIGIBLE FOR A DEVELOPMENT LOAN OF 40 PER CENT OF THE INVESTMENT, A GRANT AMOUNTING TO 5 PER CENT OF THE INVESTMENT AS A REFUND OF INDIRECT TAXES, AND ACCELERATED AMORTIZATION.

B) AN ENTERPRISE ESTABLISHED IN A DEVELOPMENT AREA WILL RECEIVE, IN ADDITION, A GRANT OF 30 PER CENT OF THE INVESTMENT IN "A" DEVELOPMENT AREAS AND OF 15 PER CENT IN "B" DEVELOPMENT AREAS. SUCH ENTERPRISES WILL ALSO ENJOY FULL UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TEL AV 02505 241036Z

OR PARTIAL EXAMPTION FROM THE EMPLOYERS' TAX.

C) AN ENTERPRISE THAT EXPORTS WILL PAY ON ITS INCOME FROM EXPORT ONLY THE COMPANIES TAX (AND THE REGULAR TAX ON OTHER INCOME).

D) INTERPRISES IN "A" DEVELOPMENT AREAS WILL BE REGARDED

AS IF THEY EXPORT 50 PER CENT OF THEIR PRODUCT, AND IN "B"
DEVELOPMENT AREAS AS IF THEY EXPORT 25 PER CENT.

E) ALL OTHER BENEFITS IN THE EXISTING LAW WILL BE ABOLISHED.
LEWIS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INVESTMENT LAW
Control Number: n/a
Copy: SINGLE
Draft Date: 24 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TELAV02505
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780086-1108
Format: TEL
From: TEL AVIV
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780213/aaaaalec.tel
Line Count: 67
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 02aab5cf-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3478755
Secure: OPEN
Status: NATIVE
Subject: NEW INVESTMENT LAW
TAGS: EINV, IS
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/02aab5cf-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014